

4 June 2021

KEFI Gold and Copper plc

("KEFI" or the "Company")

Tulu Kapi Operational Update

KEFI (AIM: KEFI), the gold and copper exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to provide an update with respect to the Company's Tulu Kapi gold project ("Tulu Kapi" or the "Project").

Further significant progress has been made during May 2021 and KEFI is currently focusing on completing preparations for full Project launch after the Company's Annual General Meeting, which is expected to be convened in due course for 30 June 2021. The Company remains on track to commence Project commissioning in late 2022 and to reach full production by mid-2023, in line with previous guidance.

Highlights of recent activities include:

- The Project company, Tulu Kapi Gold Mines Share Company ("TKGM") has submitted to the Ethiopian regulatory authority, for its formal confirmation of compliance as part of the Project finance requirements, an updated detailed Project development and production plan. Whilst final approval of this updated plan is awaited as a condition precedent of the Project financing, TKGM has exchanged formal confirmations with the licencing authority regarding TKGM's commitment to honour the already outlined Project timetable;
- A new Project mining contractor, Corica Group, which is now the largest mining contractor in Africa, has been appointed, replacing the previous mining contractor on better terms after re-tendering of the contract. A letter of intent has been signed with them covering the major works package due to commence its procurement any time from July 2021;
- The early works programme with principal process design and construction contractor, Lycopodium Limited, has commenced this month and the major works package has been agreed to commence any time from July 2021;
- Responses are up to date in respect of the senior lenders' due diligence requirements for credit approval. The timetable for Project finance remains for execution of detailed documentation as soon as possible after the KEFI AGM on 30 June 2021, then equity subscriptions for launch of full development, followed by debt drawdowns during Q4 2021; and
- 150 local personnel have been employed to prepare new host lands. TKGM have commenced compensation procedures for the small part of the community to be resettled that occupies the site for the planned electricity substation and starter homes have been fabricated and are being delivered to site for assembly.

The Company looks forward to making further announcements as the Project progresses.

Enquiries

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Notes to Editor

KEFI Gold and Copper plc

KEFI is focused primarily on the advanced Tulu Kapi Gold Project development project in Ethiopia, along with its pipeline of other projects within the highly prospective Arabian-Nubian Shield. KEFI targets that production at Tulu Kapi generates cash flows for capital repayments, further exploration and expansion as warranted and, when appropriate, dividends to shareholders.

KEFI in Ethiopia

Ethiopia is currently undergoing a remarkable transformation both politically and economically.

The Tulu Kapi gold project in western Ethiopia is being progressed towards development, following a grant of a Mining Licence in April 2015.

The Company has now refined contractual terms for project construction and operation, together with assembling the full funding consortium and set the conditional terms for the development funding package of c.US\$221 million.

Estimates include gold production of c.190,000oz pa. All-in Sustaining Costs (including operating, sustaining capital and closure but not including leasing and other financing charges) remain c. US\$800/oz. Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.1g/t gold, containing 1.1Moz.

All aspects of the Tulu Kapi (open pit) gold project have been reported in compliance with the JORC Code (2012) and subjected to reviews by appropriate independent experts.

A Preliminary Economic Assessment has been published that indicates the economic attractiveness of mining the underground deposit adjacent to the Tulu Kapi open pit, after the start-up of the open pit and after positive cash flows have begun to repay project debts. An area of over 1,000 square kilometres adjacent to Tulu Kapi has been reserved for exploration by KEFI upon commencement of development, with a view to adding satellite deposits to development and production plans.

KEFI in the Kingdom of Saudi Arabia

In 2009, KEFI formed Gold & Minerals Limited ("G&M") in Saudi Arabia with local Saudi partner, ARTAR, to explore for gold and associated metals in the Arabian-Nubian Shield. KEFI has a 34% interest in G&M and is the operating partner.

ARTAR, on behalf of G&M, holds over 16 Exploration Licence (ELA) applications pending the introduction of the new Mining Law. ELs are renewable for up to three years and bestow the exclusive right to explore and to obtain a 30-year exploitation (mining) lease within the area.

The Kingdom of Saudi Arabia has announced policies to encourage mineral exploration and development, and KEFI Minerals supports this priority by serving as the technical partner within G&M. ARTAR also serves this government policy as the major partner in G&M, which is one of the early movers in the modern resurgence of the Kingdom's minerals sector.